

1101 Central Avenue, Wasco, CA 93280 661-758-5113

June 10, 2011

Mr. Trevor Joseph
Project Manager
California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
Post Office Box 942836
Sacramento, CA 94236-0001

Re: Comments on CA Department of Water Resources, Proposition 84 IRWM Implementation Grant, Round 1 Draft Funding Recommendations

Dear Mr. Joseph:

Poso Creek IRWMP Regional Water Management Group (RWMG) submits the following comments regarding the Proposition 84 Round 1 funding recommendations for Poso Creek Region within the Tulare Basin Funding Area. The Poso Creek RWMG appreciates DWR's recommendation of additional funding for the Tulare Basin Region in Round 1, and understands the challenge DWR faced reviewing and scoring the wide variety of applications. The additional funds allow three quality IRWM proposals to be partially funded to a greater extent than we all imagined, which will allow these IRWM regions to implement key projects and stay engaged in the IRWMP process. Knowing the preliminary scores were equal between three IRWMPs, the Poso Creek RWMG understands you made some difficult decisions on how to best fund the IRWMPs.

On June 7<sup>th</sup>, 2011, the Poso Creek RWMG met to reformulate the proposed projects to reflect the recommended reduced funding for Poso Creek Proposal of \$8,215,000 instead of \$12,892,510 requested. The Poso Creek RWMG developed a plan for equitably distributing the reduced funds in a manner that retains the intended benefits of the Proposal. The revised plan is to partially fund 7 of the 8 projects and for North Kern Water Storage District to enter into a contract to administer three of the projects and for the City of Shafter to enter into a contract with the DWR to administer four of the projects as shown on the attached table.

The Poso Creek RWMG has concerns that some of the recommended funding could potentially be reduced if the other IRWMPs who received the same total score request an increase in their score or if others in the Tulare Basin Funding Region object to the DWR recommendations. If the Poso Creek Proposal receives any less funding, the projects will not be able to maintain the level of benefits that the seven partially funded projects provide. Therefore, the Poso Creek RWMG provides the following detailed comments on the scoring and desires that DWR only consider revisiting the scoring areas if the funding levels contained in the draft recommendations for the projects in the Tulare Basin Funding Region are reconsidered based on comments from others. The Poso Creek RWMG has determined several areas where the DWR's reviewers may have misinterpreted the proposal which affected the Poso Creek's scores. Poso Creek RWMG agrees with the scores in five of the eight categories. These five



1101 Central Avenue, Wasco, CA 93280 661-758-5113

include: Budget, Schedule, Monitoring, Assessment, and Performance, Water Quality and Other Expected Benefits, and Program Preferences.

Three of the scored areas may have been misinterpreted in the proposal; these include the Work Plan, Economic Analysis – Water Supply Costs and Benefits, and Economic Analysis – Flood Damage Reduction. Much effort was taken to maintain consistency among the eight projects and to refrain from repeating information regarding the overall proposal which was already included in each project section; however, this may have caused the reviewer to miss certain information contained in the individual project work plans that was expected by the reviewer to be re-stated in the "overall" work plan. Poso Creek RWMG will make use of the feedback received from DWR and improve future applications in the "overall" work plan area.

- Work Plan It is possible some misinterpretation occurred in the scoring of the overall Work Plan since the Proposal's approach was to present the details in each of the eight projects section of the Work Plan and not to re-iterate the individual projects or repeat information from the Poso Creek IRWMP document. Poso Creek RWMG acknowledges this is an area that needs some improvement on the presentation of material in the "Work Plan", yet the information was present in areas of the detailed project work plans, but possibly not necessarily in the location the reviewer was expecting.
- Economic Analysis Water Supply Costs and Benefits. The DWR scoring indicated the following: "The scores will be assigned relative to all other proposals." The reviews of Poso's projects indicate "High Levels" of water supply benefits relative to costs, Kings and Kaweah were both stated as "Above Average Levels", yet no point difference between the Poso and Kings Scores for this category. The expectation of the applicant was the water supply benefits realized by constructing a project would have some measurable comparison between proposals and the calculated benefits of a 400 cfs Intertie connecting supplies to 1,600 acres of existing spreading basins in Poso Creek's project list was noticeably larger than a 70 acre site to be developed in the Kings application.

In addition, the proposal Evaluation Summary also states that "supporting documentation does not clearly demonstrate where the available water would be recharged in the absence of the proposed projects." There is a statement contained in the analysis in subsection 7.1.2.1 saying that the water would not be captured without the project. In other words there are no other places within the region to recharge the water at the time it is available, the water not captured would flood irrigable lands or flow out to the ocean and be lost to the basin. An example of the water that is captured is Article 21 or carryover evacuation from San Luis Reservoir as described in that same subsection. The large water supply project helps match the timing of deliveries into the region with available absorptive capacity; if not for this project, much of the delivered water would not make it into the region; it would flow to the ocean.

Again, Poso Creek RWMG supports the funding of local direct recharge basins in each Region, however, it does not want to see funding reduced for a project that comparably, has the larger



1101 Central Avenue, Wasco, CA 93280 661-758-5113

water supply benefit or had a misunderstanding of where the water would go if not captured by the project.

- Economic Analysis Flood Damage Reduction the reviewer indicates that crop damage benefits were disallowed. It is possible the reviewer did not understand the effects flood water has on crops in the Tulare Lake Bed, as they usually result in no cropping until the lake bed is dried out, which is typically a loss of crops for the year the flood occurs, not just the winter to spring flood season. The interpretation of the crop loss not occurring in the same year caused a reduction in benefit and resulting score.
- Balance Points The applicant's expectation was balance points would be used in such cases
  where multiple IRWMPs applied and some of the IRWMPs had received funding through
  previous rounds of IRWMP implementation funding. In the Tulare Lake Funding Area case, both
  the Upper Kings Basin IRWM Authority and the San Luis Delta-Mendota Water Authority had
  received previous implementation funding in Proposition 50 IRWMP rounds, whereas, Kaweah
  and Poso Creek had not.

Finally, we sincerely appreciate the opportunity to provide additional information in support of distributing funding through the IRWM process. It is not the intent of the Poso Creek RWMG to rectify the score of the Poso Creek Proposal unless others open up the process which jeopardizes the recommended funding that will allow implementing seven of the eight projects proposed. Please contact Paul Oshel at (661) 758-5113 if you have any questions in this regard.

Sincerely,

Paul Oshel, P.E. District Engineer

Chairman for Poso Creek RWMG

CC: Poso Creek RWMG

Paul Ochel

Michelle Dooley, DWR, Fresno Tracy Billington, DWR, Sacramento

	Non-State	ate	Reguested	sted		_		
	Share*	*.	Grant	nt	Total		>	Water
(a) Project 1 - Cross Valley Canal to Calloway Canal Intertie	\$ 3,386	200	\$ 7,40	0,700	\$ 3,386,500 \$ 7,400,700 \$ 10,787,200		\$ 7	\$ 7,400,700
(b) Project 2 - Madera Avenue Intertie	\$ 2,697	,640	\$ 3,40	0,080	\$ 2,697,640 \$ 3,400,080 \$ 6,097,720		3	3,400,080
(c) Project 3 - Habitat Improvement on Pond-Poso and Turnipseed Spreading Basins	\$ 29,520	,520	\$	87,910	\$ 117,430			
(d) Project 4 - On-Farm Mobile Lab, Water Use Efficiency Services	\$ 200	200,240	\$ 10	100,000	\$ 300,240			
(e) Project 5 - DAC Fund for Feasibility-Level Studies and Well Destruction Program	\$ 31	31,740	\$	400,000	\$ 431,740			
(f) Project 6 - Consolidation of Bishop Acres into City of Shafter Water Supply System	⋄		\$ 44	444,500	\$ 444,500			
(g) Project 7 - North Shafter Sewer Hook-Up Reimbursement Fund	\$	60,100	\$ 48	480,000	\$ 540,100			
(h) Project 8 - Meter Installation in DAC Service Area	\$	1	\$ 57	579,320	\$ 579,320			
	\$ 6,405	,740	\$ 12,89	2,510	\$ 6,405,740 \$ 12,892,510 \$ 19,298,250		\$ 10	\$ 10,800,780